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**Capital Budget Committee**

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**HB 2705**

**Brief Description:** Creating a developmental disabilities community trust account.

**Sponsors:** Representatives Dunshee, Alexander, Lovick, Armstrong, Wallace, Miloscia, Jarrett, Murray, Hankins, Schual-Berke, Boldt, O'Brien, Newhouse, Eickmeyer, Orcutt, Hunt, Kagi, Simpson, G., Clibborn, Grant, Sehlin, Pearson, Tom, Moeller, Romero, Nixon, Anderson, Talcott, Conway, Kenney, Upthegrove, Morrell and Wood.

**Brief Summary of Bill**

- Requires that excess property and harvestable timber identified in the 2002 JLARC capital study of RHCs must be disposed of and the proceeds deposited into the developmental disabilities community trust account by December 1, 2004. Proceeds from future disposal of excess or unused lands at the residential habilitation centers must be deposited into the developmental disabilities community trust account within ninety days of the date of their disposal.
- Creates the developmental disabilities community trust account. All proceeds from the disposal of any building, facility, timber, or tract of land not held in trust at any of the residential habilitation centers identified in this chapter must be deposited into this account.
- Provides that investment income from the account may be spent only after appropriation and must be used solely for community developmental disability services for persons with developmental disabilities who are unserved.

**Hearing Date:** 1/28/04

**Staff:** Charlie Gavigan (786-7340).

**Background:**

The Division of Developmental Disabilities (DDD) in the Department of Social and Health Services (DSHS) operates five residential habilitation centers (RHCs), which provide 24-hour residential housing for qualified individuals with developmental disabilities needing institutional care. In addition, RHCs provide respite care and other specialized services to eligible individuals living in the community. Specific services provided at RHCs include occupational and physical therapy, limited job training, medical and dental care, pharmaceutical services, and all other services necessary to a population in an institutional setting, such as transportation, food service,

recreation, personal hygiene, and social activities. The RHCs consist of the following: Fircrest School, located in Shoreline; Frances Haddon Morgan Center, located in Bremerton; Lakeland Village, located in Medical Lake; Rainier School, located in Buckley; and Yakima Valley School, located in Selah.

Lakeland Village, the first RHC in the state, opened in 1915. At their peak in 1967, RHCs housed a combined population of over 4,000 residents. Since that time, the number of individuals with developmental disabilities living in institutions in the state has declined. Currently, approximately 1,100 individuals live in RHCs.

In 2002, the Joint Legislative Audit and Review Committee (JLARC) did a capital study on the RHCs (02-12). In the report, JLARC concluded that Lakeland Village, Rainier School, and Yakima Valley School have excess property that can be sold with no impact on current institutional operations. JLARC estimates that the excess parcels at these three facilities would generate approximately \$7 million if sold.

The 2003-05 operating budget provided funds for transitional costs associated with downsizing the Fircrest school. The 2003-05 capital budget provided \$6 million for RHC consolidation.

**Summary of Bill:**

Excess property and harvestable timber identified in the 2002 JLARC capital study of RHCs must be disposed of and the proceeds deposited into the developmental disabilities community trust account by December 1, 2004. Proceeds from future disposal of excess or unused lands at the residential habilitation centers must be deposited into the developmental disabilities community trust account within ninety days of the date of their disposal. "Disposal" means the sale or lease at fair market value, or other transaction involving lands, timber, or other natural resources of the residential habilitation centers.

A developmental disabilities community trust account is created in the state treasury. All proceeds from the disposal of any building, facility, timber, or tract of land not held in trust at any of the residential habilitation centers identified in this chapter must be deposited into this account. Investment income from the principal of the proceeds deposited into the trust account may be spent from the account. Investment income from the account may be spent only after appropriation and must be used solely for community developmental disability services for persons with developmental disabilities who are unserved. Moneys in the account may not be used to supplant ongoing expenditures for community services to persons with developmental disabilities.

The interest earnings from the developmental disabilities community trust account stays with the account rather than going to the general fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.